



**Strathmore**  
UNIVERSITY

**STRATHMORE BUSINESS SCHOOL**  
**MASTER OF SCIENCE IN DEVELOPMENT FINANCE**  
**END OF SEMESTER EXAMINATION**  
**MDF 8106: DEVELOPMENT ECONOMICS**

**Date:** Thursday, 28<sup>th</sup> June 2018

**Time:** 3 Hours

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**Instructions**

1. This examination consists of **FIVE** questions.
2. Answer Question **ONE** and **ANY OTHER THREE** questions.

**Question 1 (Compulsory) (40 Marks)**

- a) Briefly explain what you understand by development. What are the objectives of development? **(5 Marks)**
- b) Many developing countries have similar characteristics that have led to their economic development problems. Briefly explain any seven characteristics **(7 Marks)**
- c) Briefly explain what you understand by inclusive growth and development? How can growth and development be made more inclusive? **(8 Marks)**
- d) Discuss the main financing mechanisms for sustainable development **(10 Marks)**
- e) In your understanding, what role do institutions play in the development process? Give specific examples **(10 Marks)**

**Question 2 (20 Marks)**

- a) What is Amartya Sen's capability approach and how does it help us in gaining insights into development goals and achievements? **(6 Marks)**
- b) In the Mohamed Yunus and the Grameen Bank case,
  - i) What were the issues/challenges that Yunus was trying to address? **(4 Marks)**
  - ii) What approach did Yunus take to solve the issues? **(5 Marks)**
  - iii) What were his main innovations in enhancing access to credit? **(5 Marks)**

**Question 3 (20 Marks)**

- a) The Sustainable Development Goals were driven by five big transformative shifts. List them. **(5 Marks)**
- b) Using a schematic framework, briefly explain the long-run causes of comparative development. **(15 Marks)**

**Question 4 (20 Marks)**

- a) How are poverty and inequality measured? **(4 Marks)**
- b) Briefly explain the four broad areas of government policy intervention in addressing poverty and inequality **(8 Marks)**
- c) Compare and contrast the linear stages of growth model, the theories and patterns of structural change and the theory of international dependence. Which model do you think provides the best explanation of the situation in most developing countries? **(8 Marks)**

**Question 5 (20 Marks)**

- a) Briefly explain cases in which a big push may be necessary during a country's development process **(8 Marks)**
- b) Suppose you have been tasked with evaluating the impact of a rural development intervention that is aimed at reducing rural poverty through cash transfers to poor households. The households were selected randomly and baseline information on both the beneficiaries and non-beneficiaries was collected before implementation of the project. Briefly explain:
  - i) The type of data that you will need to evaluate the program **(2 Marks)**
  - ii) The methods that you will use **(6 Marks)**
  - iii) How you will estimate the impact of the program using the methods stated in (ii) above **(4 Marks)**